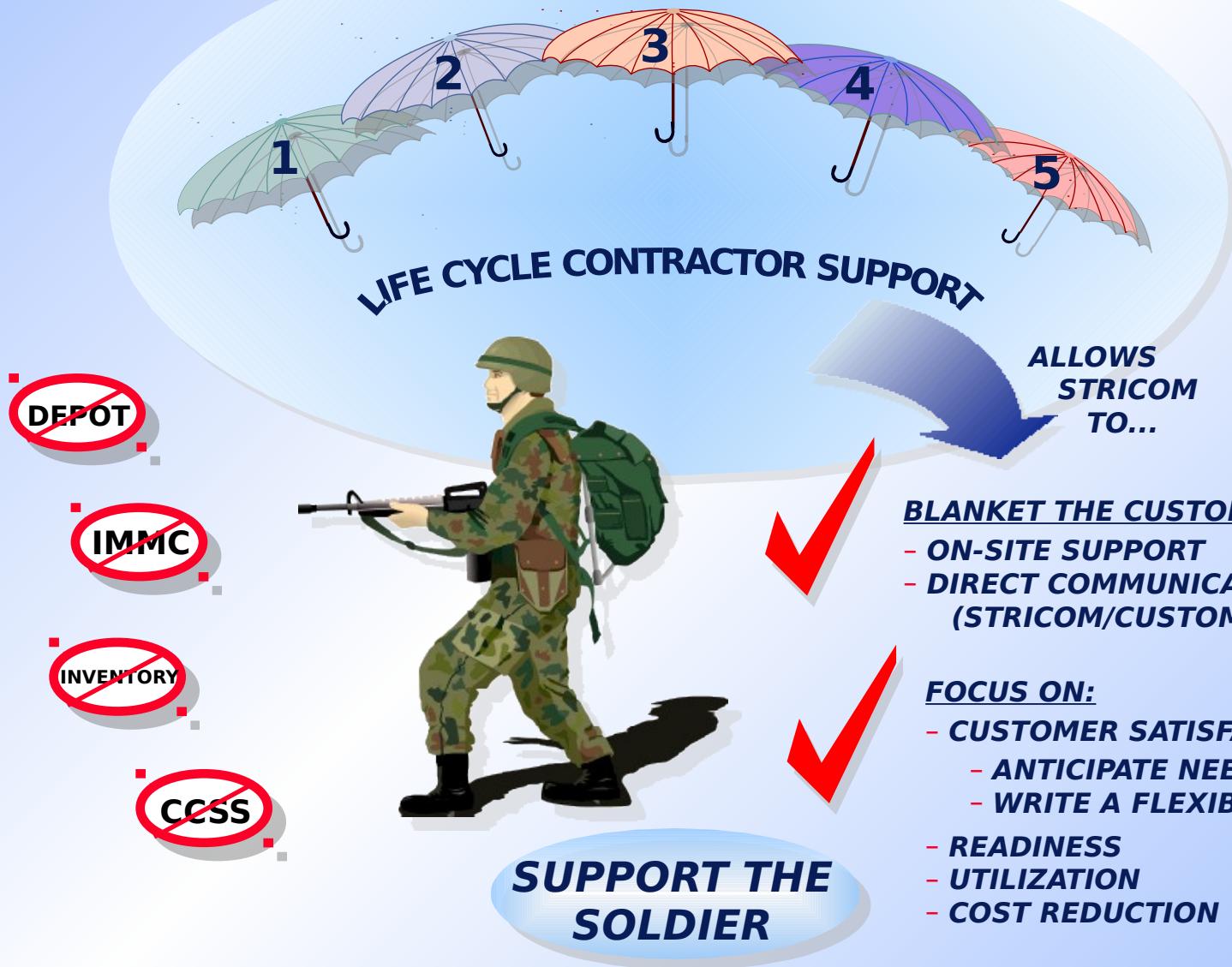
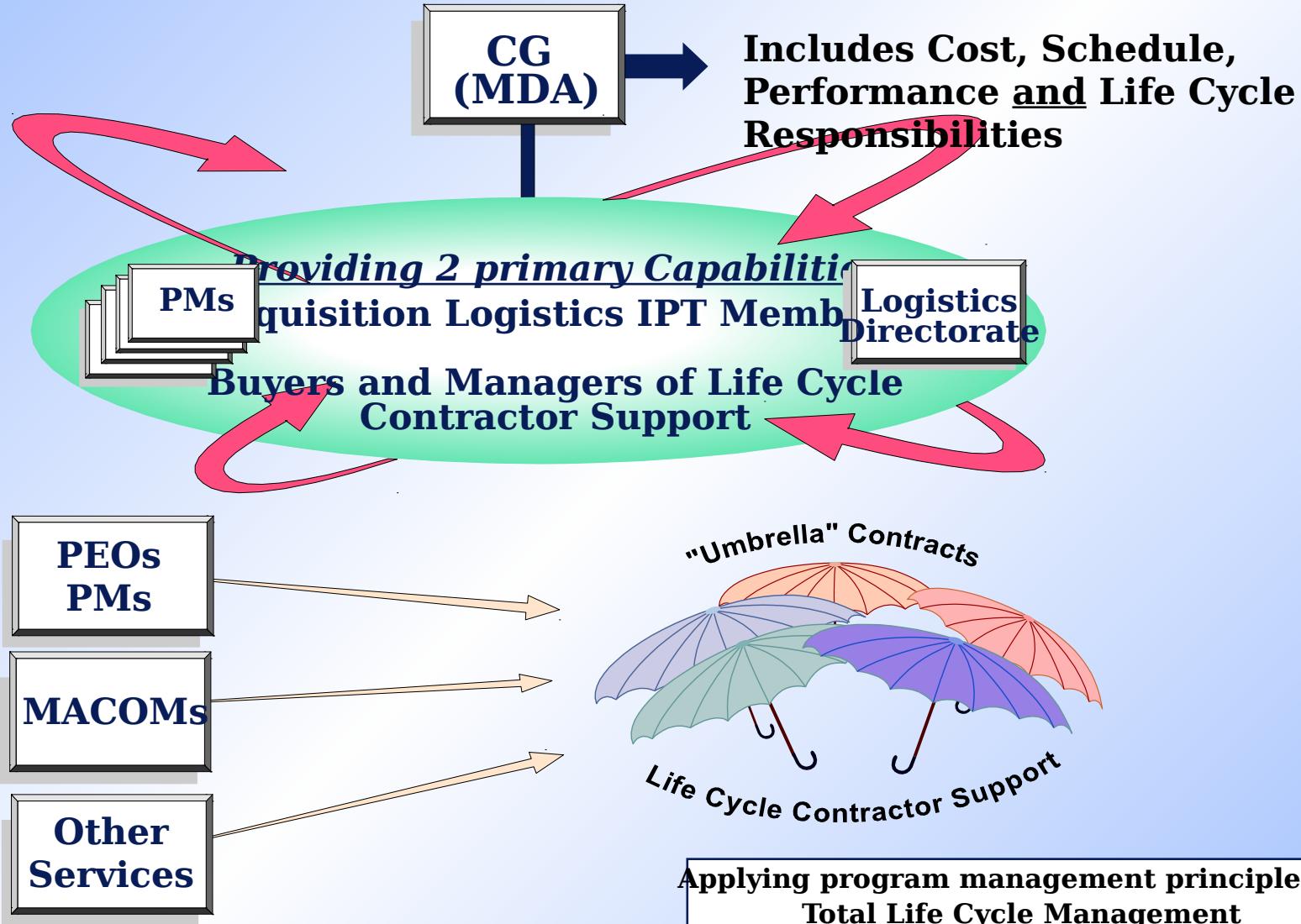


STRICOM LOGISTICS





STRICOM Logistics Total Life Cycle Management





STRICOM Logistics



Authoritative Sources

AR70-1 (DRAFT) RDA Policy

DCSOPS -- Army Staff Proponent for Training.
AMC-- Manage...support of non-system TADSS and system TADSS as requested by PEO/PM.
-- Provide CTC device support.

AR71-9 Force Development Materiel Requirements

DCSOPS -- Integrate...TADSS into force structure.
AMC-- Plan & resource modification to TADSS.
-- Plan & program resources for life-cycle support of TADSS fielded in support of assigned system & non-system TADSS.

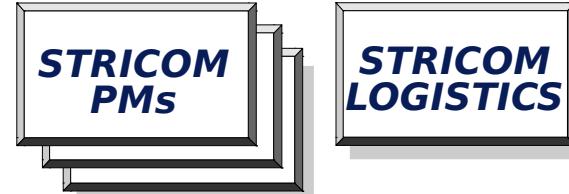
AR350-38 Training Device Policies & Management

PEOs-- Program & Budget \$'s to support changes to fielded TADSS resulting from changes or modifications to the system.
STRICOM-- Provide LCCS of non-system TADSS & system TADSS as agreed upon with PEO.
--Budget & provide for centralized maintenance of AMC managed TADSS & centralized LCCS.
--Retain design & configuration control over each CTC & all TADSS supported.

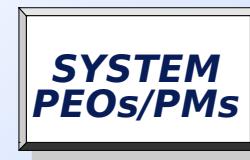
AR350-50 Combat Training Center Program

AMC--Execute...life cycle support of CTC TADSS including fixed instrumentation.
--Budget & provide for centralized contractor support.
--Maintain design & configuration control over CTC TADSS.

STRICOM LIFE CYCLE MANAGEMENT



PROGRAM & BUDGET FOR MODIFICATIONS OR IMPROVEMENTS TO NON-SYSTEM TADSS



PROGRAM & BUDGET FOR MODIFICATIONS OR IMPROVEMENTS TO TADSS NECESSITATED BY A MODIFICATION OR IMPROVEMENT TO THE MATERIEL SYSTEM...REGARDLESS OF WHO MANAGES.



STRICOM Logistics Directorate

BEFORE

LOGISTICS CERTIFICATION

GS-0346s

MATRIX SUPPORT TO PMs

GS-0346s

ARMY ACQUISITION CORP.

GS-0301s

1 FEBRUARY 1998

AFTER

VIRTUAL

**GS-0346
GS-0301**

BMTA

GMT

CONSTRUCTIVE

**GS-0346
GS-0301**

C4I

LIVE

**GS-0346
GS-0301**

CTI

TERS

LIFE CYCLE ACQUISITION MANAGERS

GS-0346

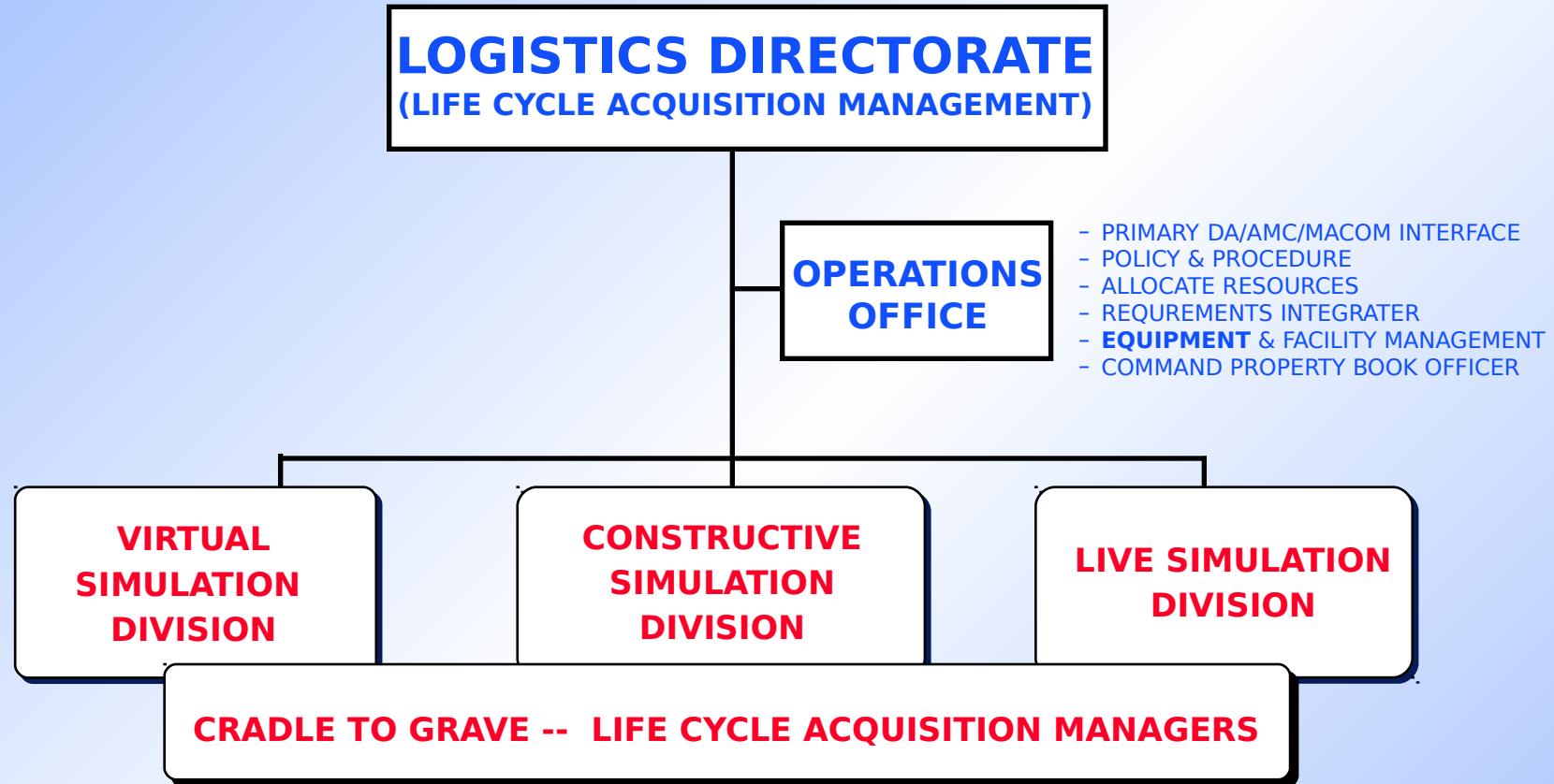
GS-0301

PRE-MILESTONE

OPERATIONAL SUPPORT



Organization - Who Are We?



=

81 TDA
PERSONNEL
(62 IN 2001)

95% OUTSOURCED

1700+
CONTRACTOR & OGA
PERSONNEL



STRICOM Logistics A Comparison



Traditional AMC MSC

Major & Secondary Item Managers

MTS & Parts Breakout Programs

IMMCs

DEPOTs

INVENTORY

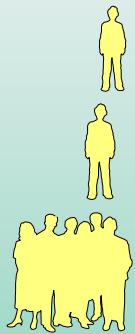
CCSS

Supply & Maintenance

Predominately Dept of ARMY Civilians

Own & Operate The Infrastructure &

A 'VIRTUAL' Logistics MSC



- Acquisition Logistics IPT Members
- Buyers of Performance Based Life Cycle Support
- Life Cycle Contractor Support Person

5% Dept of ARMY Civilians
95% LCCS contractors

IMMCs

CCSS

DEPOTs

PLUS --- ON THE NEAR TERM HORIZON, AWARD FEES TO:

- ✓ Reduce Life Cycle Costs
- ✓ Extend Life of Parts & Systems
- ✓ Achieve Higher Availability Rates
- ✓ Keep Customers Satisfied



Centralized Contractor Logistics Support The Success Story



STARTING POINT
14 MAR 90

1995

TDA MANPOWER *REDUCED* → **156 to 30**

SYSTEMS SUPPORTED *INCREASED* → **60 +**

SERVICES PROVIDED *INCREASED* → **UPGRADES/PDSS/
RELOCATIONS/
OPERATIONS/ETC** *LCCS+*

DOLLARS NEEDED *REDUCED* →

**AMC Policy to Centralize
Contractor Logistics Support
for AMC acquired Training
Devices, Simulators
and Simulations**

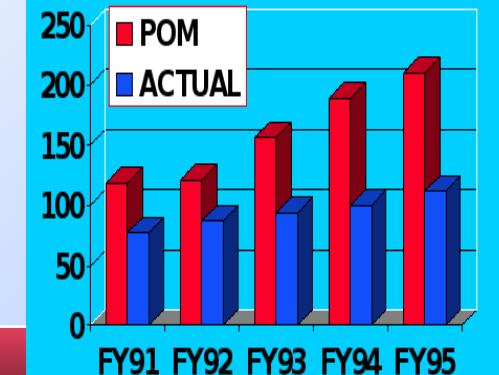
**"This will result in cost
savings of OMA funds which
are used for
CLS Contracts."**

TUTTLE

GENERAL

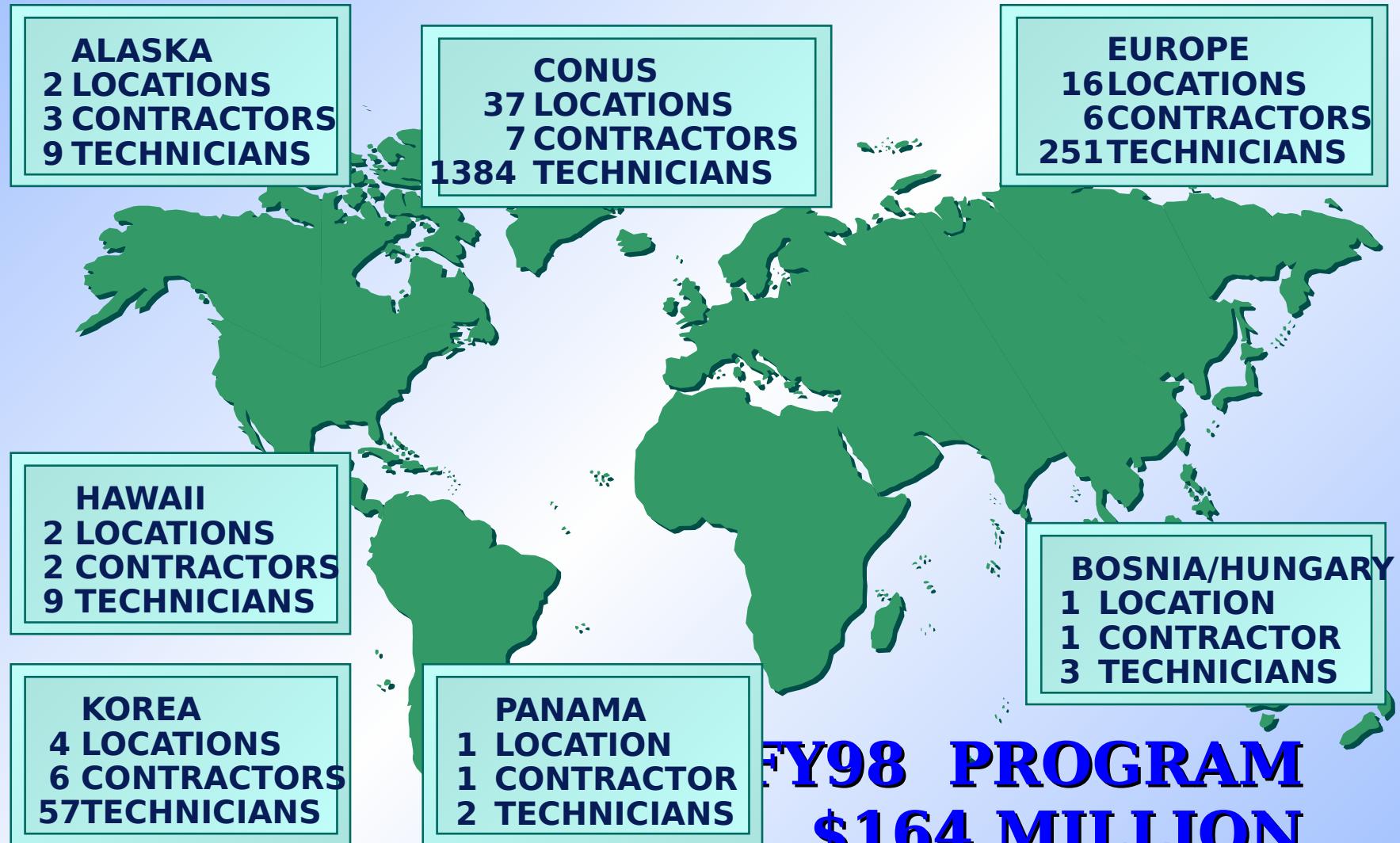
CG, AMC

Savings = \$325 Million





LCCS Worldwide Total Program

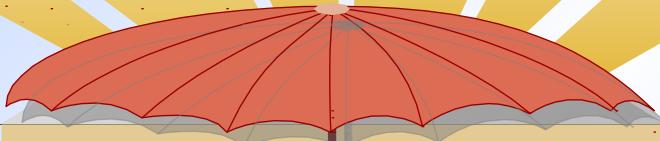




THE ECHELONS OF LIFE CYCLE CONTRACTOR SUPPORT



TOTAL COST OF OWNERSHIP



Operators
Instructors
Role Players
Facility Management



Relocations, Conversions,
PDSS, Modifications

STANDARD SUPPORT:

Supply, Maintenance, New Equipment Training, Engineering Services,
Configuration Management, Inventory Management



STRICOM Life Cycle Contractor Support Contracts



What Are They?

- Competitively Awarded Contracts
- Includes Support to Many “Like” Systems Fielded @ Multiple Locations
- Fixed Price Award Fee (Includes Time and Materials)
- One Year with 4 One Year Priced Options
- Contractor Bids are Based on:
 - Types of Systems
 - # of Systems
 - Locations of Systems
 - Period of Performance
 - Availability Requirements

WE'RE BUYING PERFORMANCE



STRICOM O&S COST REDUCTION INITIATIVES



- ✓ **SIMULATION & TRAINING SYSTEMS**
COST AVOIDANCE IS A PRIMARY DRIVER OF OUR TECHNOLOGY
- ✓ **TOP 10 COST DRIVERS**
- ✓ **UMBRELLA CONTRACTING**
- ✓ **LEGACY SYSTEMS**



STRICOM TOP 10 COST DRIVERS



PROCESS

- **WORKING WITH EACH PM TO :**
 - APPLY LESSONS LEARNED
 - IDENTIFY TOP 10 FOR EACH PROJECT & PRODUCT MANAGER AND PROJECT DIRECTOR
- **INCORPORATE INTO ACQUISITION PROCESSES**
 - PROGRAM REVIEWS , APBs, ASRs
 - MILESTONE DECISIONS (EXIT CRITERIA)
 - SOURCE SELECTION CRITERIA



PRIMARY O&S COST DRIVERS INITIAL RESULTS

1. Requirements **NOT IN PRIORITY ORDER**
2. Requirements for system operators.
3. Support of legacy after objective system fielding.
4. Proprietary and modified COTS software and hardware (without documentation).
5. Inflexible software architecture used in development.
6. Washouts due to non fair wear and tear.
7. Hardware/Software obsolescence.
8. Delays in transition OEM support to consolidated LCCS contracts.
9. Department of Labor wage rate increases.
10. System upgrades and concurrency for training system.



UMBRELLA CONTRACTING



LOOKING FOR EVEN MORE EFFICIENCIES

CONTRACT STRUCTURE:

FIXED PRICING

- INHERENT INCENTIVE TO REDUCE COSTS (NUMEROUS SUCCESS STORIES)
- ADD AWARD FEE TO:
 - REDUCE LIFE CYCLE COSTS (BEYOND 5 YR CONTRACT)
 - EXTEND LIFE OF PARTS

COMPETITION

- DEFINITIZE ALL KNOWN (VALID) REQUIREMENTS
- MAINTAIN COMPETITION AMONG

CONTRACT DURATION

- TEST LONGER TERM CONTRACTS

RETIRE LEGACY SYSTEMS

IDENTIFIED POTENTIAL CANDIDATE SYSTEMS & ASSOCIATED COST SAVINGS TO TRADOC & DA (FEB 98)



Life Cycle Contractor Support



Where do savings come from?

Examples of OEM life cycle
cost drivers

Battery Compartment Threaded Insert (BCI)

Eye Shield (ES)

\$67.02

IFF Antenna Base Plate (IFFABP)

\$1,650.00

Deflection Board (monitor)

(DBMD)

Flange Pin, Actuator (HPA)

B302 Vibrator Spring (BVS)

**Ribbon Cables (RC) \$98.00
\$69.00**

The Air Defense/Field Artillery LCCS Contract

BCI \$60.15

ES \$5.00

IFFABP \$512.00

DBM \$354.00

HPA \$7.54

BVS \$6.00

RC \$5.00

Additional savings realized through Consolidations

✓ Competition Contracts

✓ One:

Prog Mgmt Team

Warehouse

G&A; O/H; Profit line



Life Cycle Contractor Support



Where does growth come from?

Life Cycle Contractor Support

- ✓ **Adding systems**
- ✓ **Inability to retire older systems**

Life Cycle Contractor Support PLUS

- ✓ **PDSS**
- ✓ **Upgrades**
- ✓ **Conversions**
- ✓ **Relocations**

Life Cycle Contractor Support PLUS PLUS

- ✓ **Operators**
- ✓ **Instructors**
- ✓ **Role Players**
- ✓ **Facilities Management**

**“TURN KEY”
OPERATIONS**



LCCS CONSOLIDATION EFFICIENCIES

SYSTEMS NEGOTIATED INTO THE GUNNERY MAINTENANCE CONSOLIDATED CONTRACT DURING FY97

Precision Gunnery Training System (PGT) Ft. Knox

Prime Contractor

LCCS Contractor

% Reduction
Precision Gunnery Training System (PGT)

USAREUR
63%

Prime Contractor

LCCS Contractor

% Reduction
Advanced Gunnery Training System (AGTS) Ft.

Knox 56%

Prime Contractor

LCCS Contractor

% Reduction

~~\$799,020~~

~~\$219,021~~

CONSOLIDATION OF SEVERAL CONTRACTS

<u>Consolidated</u>	<u>OEM</u>	
<u>COFT + AGFT + TDT</u>		
\$3,769K + \$1,271K + \$912K		

<u>Consolidated GMT</u>	<u>%Reduction</u>
\$2,980K	50%



Tracking Head Trainer (THT) Battery Assy used in IMTS

Examples of cost savings initiatives

PARTS	OEM COST	CLS COST	SAVINGS/ITEM	REMARKS
Display Assy	\$4417.00	\$24.00	\$4393.00	
Chassis, Simcon	\$1,777.00	\$1,195.00	\$582.00	
RMP Corrective Lens	\$3,459.14	\$1,240.00	\$2,219.14	
Filter, Blue	\$300.00	\$3.47	\$296.53	
Potentiometer, Motorized	\$767.64	\$451.94	\$315.70	
CRT	\$6,400.00	\$2,422.00	\$3,978.00	
Slide Set	\$4,000.00	\$2,492.00	\$1,508.00	
Mounting Receptacle Box	\$8,300.00	\$7.31	\$8,292.69	*
Encoder	\$7,000.00	\$442.00	\$6,558.00	
Tracking Head Sensor	\$4,056.78	\$28.80	\$4,027.98	
Ferrule	\$4,056.78	\$50.38	\$4,006.40	*
Slave Processor	\$28,000.00	\$3,200.00	\$24,800.00	*
Host Processor Board	\$39,500.00	\$5,200.00	\$34,300.00	*
Peripheral I/O I	\$30,000.00	\$1,500.00	\$28,500.00	*
Peripheral I/O II	\$30,700.00	\$1,800.00	\$28,900.00	
Bone Vibrator Spring	\$98.00	\$6.00	\$92.00	
IFF Antenna Base Plate	\$1,650.00	\$512.00	\$1,138.00	
Eye Shield	\$67.02	\$5.00	\$62.02	
Rate Sensor	\$5,672.63	\$3,540.00	\$2,132.63	
** Remarks: Sold only as complete assemblies				

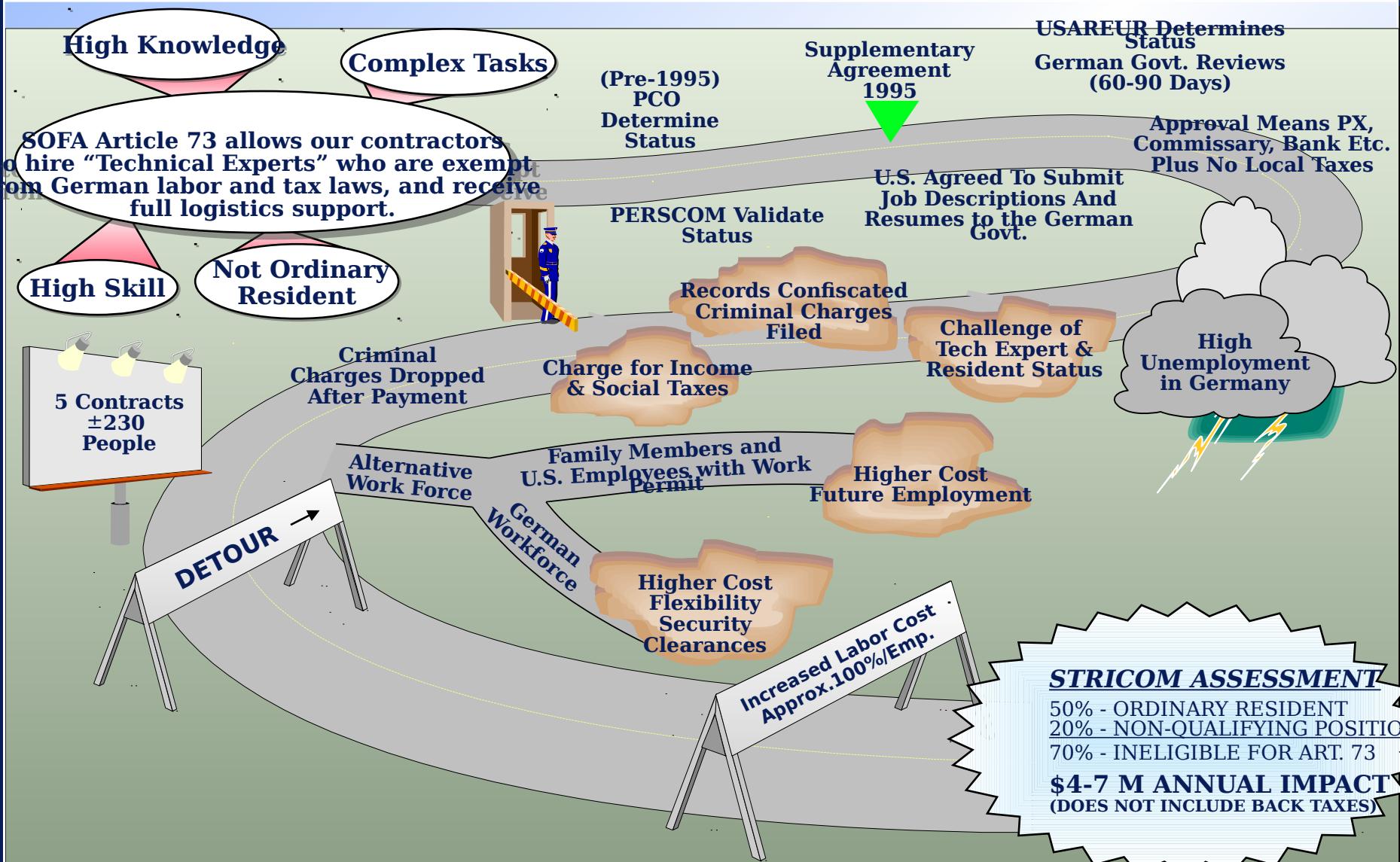


MILES Cable Repair Facility

- ✓ ***MILES I & II Cables were coded non-repairable***
- ✓ ***Loss exceeded \$1.2M/year replacement***
- ✓ ***STRICOM established 3 cable repair facilities for \$652K (now)***
- ✓ ***Average cost to repair cables now \$89.68 vs. \$300 procurement***
- ✓ ***Estimated Savings to date is \$1,529K***



TECHNICAL EXPERTS IN GERMANY





STRICOM LOGISTICS SUMMARY



✓ STRICOM "BUYS" READINESS

- DIRECT ON-SITE SUPPORT TO THE SOLDIER
- 95% OUTSOURCED
- FPAF COMPETITIVE CONTRACTS
- AWARD FEES TO FURTHER INCENTIVIZE O&S COST REDUCTION



✓ LOGISTICS DIRECTORATE REALIGNED 1FEB98

- CRADLE TO GRAVE SUPPORT
- A NEW, MULTI-FUNCTIONAL CAREER FIELD MAY BE PROPOSED

✓ SIGNIFICANT O&S COST SAVINGS ALREADY ACHIEVED

- ON BOARD WITH NEW O&S COST REDUCTION INITIATIVES

✓ CHALLENGES AHEAD FOR ARMY TRAINING

- TRAINING REQUIREMENTS > TRAINING \$s